A Time Line

Before Illinois enacted a workers' compensation law, an injured employee had to file a lawsuit in court against his or her employer.

It was difficult for an employee to prove liability—it was estimated that in 88% of the cases the employer was found not liable--but when a worker did win, the benefits were unlimited.

The courts complained of excessive caseloads, newspapers wrote of destitute families, and charities told of paupers created by uncompensated injuries.

People began talking about enacting workers' compensation laws similar to those already established in Europe.

1906

After studying the meatpacking industry in Chicago, Sinclair Lewis published *The Jungle*. The book, dedicated to the workers of America, was intended to promote safer working conditions. Although it showed meatpackers incurring serious injuries, and starving when their injuries left them unable to work, readers responded as consumers, not fellow workers. The book led President Theodore Roosevelt to advocate for landmark food safety laws, but not for worker safety.

As Lewis later wrote, " I aimed at the public's heart, and by accident hit it in the stomach."

1909

A disastrous mine fire in Cherry, Illinois killed 259 men and boys, and provided the impetus for worker safety and workers' compensation legislation.

In a special session, the legislature created a commission to study and recommend the best way to compensate for industrial accidents.

1910

The Employers' Liability Commission surveyed 1,200 employers, 1,700 labor organizations, 200 judges and lawyers, and even Americans living in foreign countries.

The group researched 5,000 accidents. Of the 506 fatal accidents, they found that 40% of the families received nothing; seldom did a family receive benefits in less than three years; and for every dollar an employer paid for liability insurance, only 25¢ reached the injured worker.

The group called for a compensation measure to block common lawsuits and ensure more prompt and fair compensation.

1912

The first workers' compensation act in Illinois took effect on May 1. It applied only to certain hazardous industries: mines, construction, electrical work, etc.

Most employers and employees could opt out of the act.

In 1912, the average union baker in Chicago, working a 60-hour week, would earn $22, and a bricklayer, $44. But TTD was paid at 50% of wages up to a maximum of $12/week.

The new law didn't get much attention in the newspapers. What was the big story that spring? The sinking of the Titanic.

1913

The courts had declared the 1912 act invalid, so the legislature replaced it with a new one that was upheld by the Illinois Supreme Court.

Realizing the courts couldn't handle the high volume of new cases, the legislature also created an Industrial Board. The Board received 772 claims that first year.

Each case was decided by a three-member "committee on arbitration." The employer, worker, and the Board each chose a member.

Later, a report noted the committee members "were the mere partisans of the persons whom they represented," and recommended a single person from the Industrial Board make the decisions instead. The term "arbitrator" stuck, though.

1915

The new agency made a number of purchases to set itself up, including 1 copy of the act and 28 spittoons.

Three arbitrators were on staff. One traveled downstate.

The annual report stated that Chicago cases were resolved in 30 days and downstate cases in 60 days, but assured the reader that cases will be concluded more promptly.

The Board received 900 pieces of mail each day. One clerk handled it all, and then personally delivered all the outgoing mail addressed to parties in the Loop.

The Board asked employers and employees to reach agreement on amendments suggested to the legislature. The agreed-bill process has continued, off and on, since then.

1917

Lawsuits challenged the constitutionality of compulsory w.c. laws. After the U.S. Supreme Court upheld the law, the Illinois legislature mandated coverage for extra-hazardous jobs.

The legislature also renamed the agency the Industrial Commission, expanded it to five members, and moved it to the Department of Labor.

The Commission hired a medical director, who evaluated workers and conducted a medical education campaign. The director was shortly called away to war.

A union report claimed that, before the law, compensation for a fatal injury averaged $349. In 1917, the survivors were paid the statutory benefit of $3,500--10 times more.

1918

The annual report noted that the public did not realize the extent of industrial dangers. It pointed out that injuries in World War I were running at 25%, while injuries in the steel industry at home were 17%.

"While it is not as well known, it is no less a fact that" domestic accidents "have been occurring as regularly, and in almost equal numbers, among the working classes of the United States" as among the soldiers of WWI.

Innovations in "reconstructing" injured soldiers, it also noted, could help injured workers.

1919

Up until this time, there was little awareness of the value of rehabilitation for injured workers, and it was limited to vocational rehabilitation.

World War I may have prompted the legislature to order the Department of Public Welfare to assure rehabilitation services to every disabled Illinois resident, 16 years old or older, who was unable to work.

The services included surgery, prosthesis, and re-education, as well as assistance in finding employment.

1920

A study found that only 55% of workers in 1920 were covered by the Workers' Compensation Act.

Did you know the Commission was also responsible for mediating labor disputes? It handled 125 conflicts in 1920, including 75 strikes.

Among the disputes were strikes by Chicago meat cutters, Kewanee machinists, Rock Island streetcar workers, and Rosiclare miners.

Later, responsibility for mediating strikes was transferred to the Department of Labor.

1923

Consider this: The court ruled that illegitimate children have no legal status and may not be considered the dependents of an injured worker.

1929

In 1929, the six-day workweek was still the norm. Over 99% of men and women worked more than 44 hours/week. A Department of Labor survey reported that the most common work schedule was 48 hours/week for men and 50 hours/week for women.

1936

The legislature passed the Health and Safety Act and ordered the Commission to develop rules to protect workers' safety. A follow-up report said the Commission had not devoted much energy to this task, because of the press of compensation cases. One engineer constituted the whole safety department. Later, the job was transferred to the Dept. of Labor.

1949

The Workers' Compensation Lawyers Association was formed in Chicago.

1950

Two staff physicians conducted impartial medical exams at a fee not to exceed $5 per exam.

1957

On July 5, the Commission separated from the Department of Labor and became a self-standing agency.

On July 11, the Occupational Diseases Act became mandatory.

Benefits were still designed to replace only 50% of wages, but limits kept the actual replacement rate much lower. While the average weekly wage in Illinois was $89, the maximum TTD benefit for a single person was $34/week, which represents a 38% wage replacement rate.

Welfare benefits were actually higher than workers' comp. benefits.

1970

Congress passed the Occupational Safety and Health Act (OSHA) and created a national commission to study the adequacy of w.c. laws.

At the time, benefits were widely considered to be insufficient. In more than half of the states, the maximum TTD benefit was *below* the poverty level for a family of four.

Internally, the Commission adopted a new method of numbering cases. The method used the last two digits of the calendar year in which the case was filed, letters indicating the act under which it was filed (WC or OD), and then a sequential number (e.g., 70 WC 1).

1972

The national commission issued its report, which listed 19 recommendations as essential features of an adequate w.c. program. On average, states complied with only 7 of the 19 recommendations.

1975

In response to the 1972 report, the legislature passed several changes to the law. Benefits would now replace 66 2/3% of wages; cost-of-living benefits were instituted so that long-term benefits would keep pace with inflation; employees were allowed to choose their doctors; a new benefit category was created to address unscheduled injuries; and it became illegal to fire an employee for filing a w.c. claim.

1977

Up until 1977, only commissioners approved settlement contracts. In 1977, this authority was extended to arbitrators, who now approve 98% of all contracts.

1978

In the few years since 1975 when the law was expanded, the number of new cases increased by over 50%. Backlogs started to grow.

1980

In response to complaints about the rising cost of workers' compensation, the legislature froze benefit levels. The freeze lasted until 1984.

1982

Insurance companies were authorized to set their own premium rates for workers' compensation insurance.

Beginning Jan. 1, cases were randomly assigned to arbitrators immediately after cases were filed, thereby ending the old method of fishing disks out of a bowl.

1984

The legislature created an emergency hearing process under Section 19(b-1) of the Act. It also reduced PPD benefits to 60% of wages.

1989

Business and labor groups jointly supported a reform measure that gave the Commission more funds, more arbitrators, and a temporary panel of commissioners to reduce the backlog of cases. To further expedite cases, the law also prohibited the introduction of evidence on the review level.

1995

The Structural Work Act of 1907 (also known as the Scaffold Act) was repealed. This law had allowed injured construction workers to seek recovery in court. Now, workers' comp. is their only remedy.

1996

The Commission issued the first-ever handbook in Spanish.

1997

The Commission closed more cases than ever before and reduced the pending caseload for the first time in 12 years.

The Commission also reinstituted its program to make sure employers obtain w.c. insurance.

1999

After 80+ years, the Commission converted its forms from legal size to letter size for greater convenience.

Statewide, the Commission remodeled its hearing rooms and offices.

The Commission launched its Web site, which has made the act, rules, handbook, call sheets, calendars, and case status information widely available (www.iwcc.il.gov). The Web site now receives 150,000 hits/month.

2001

The legislature established a $10,000 minimum fine for employers that knowingly fail to obtain w.c. insurance, and provided that corporate officers may be held personally liable for the fine.

The Commission started scheduling an arbitrator to be on call each day in Chicago to handle "Settlement Day" and *pro se* settlement contracts.

2002

This year marks the 90th anniversary of the Illinois Workers' Compensation Act.

The Commission opened a district office in Collinsville.

2003

The legislature authorized an independent source of operating funds for the Commission. Illinois became the 46th state in the country to pay for its workers' comp. agency through a dedicated source of funds. The assessment has allowed the Commission to hire more arbitrators and reduce arbitrators' caseloads.

2005

The agency is renamed the Illinois Workers' Compensation Commission.

The Division of Insurance approved an increase in the advisory insurance rate for workers' compensation in Illinois of only 0.1% in 2005—that's 1/10th of 1%. In comparison, the Consumer Price Index increased 2%. After adjusting for inflation, the 2005 rate represents a 35% DECREASE since 1990.

On July 20, 2005, Governor Blagojevich signed HB2137, in law, which, among other provisions, creates a w.c. medical fee schedule, prohibits balance billing, creates a w.c. fraud statute and investigation unit, and increases some benefits.